

# PAPERWORK MANAGEMENT IN CIA

A Comparison of Agency Records Management,  
Office Machines, and Regulations Control  
Programs with Findings and Recommendations  
of The Hoover Commission Report on Paper-  
work Management, Part I

MANAGEMENT STAFF

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EXHIBITS

- A - General Counsel Opinion of 2 October 1950 on Compliance with Federal Records Act of 1950
- B - Records Management Program Guide,
- C - Brochure, "Correspondence Management"
- D - Brochure, "Forms Management Program"
- E - Brochure, "An Introduction to Reports Management"
- F - Sample Office Notice Inaugurating a Reports Management Program
- G - Sample Office Regulation for Operating A Reports Management Program
- H - Pamphlet, "Analyzing Reports"
- I - Brochure on Portable Desk Tray
- J - Poster, "Save Safe Space"
- K - Poster, "Mail Control"

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## INTRODUCTION

In January of this year the Honorable Herbert Hoover, Chairman of the Commission on Organization of the Executive Branch of the Government, submitted to the Congress Part I of the Commission's Report on Paperwork Management. This document and the supporting report of the Commission's Task Force dealt in detail with the paperwork problem in the Government, and furnished standards and recommendations for its solution.

How does the paperwork problem in CIA compare with conditions throughout the Government? How effectively are our paperwork management standards and programs meeting the problem? What are our plans for increasing the effectiveness of our paperwork management programs? Presented herein are answers to these questions through objective comparisons of our programs with the findings and recommendations of the Hoover Commission and its Task Force.

## Section I

### THE RECORDS PROBLEM

#### Task Force Findings

Paperwork in the Government has grown steadily. Its cost alone is over \$4 billion--5 times the total national budget in 1912. The Government produces 25 billion sheets of paper each year. The ratio of papers and documents per employee is 25,000 to one.

#### Agency Situation

The Task Force speaks in terms of billions, we in terms of thousands and millions. However, this does not minimize our need for paperwork management. The program is particularly applicable to CIA. Here's why...

- The production of vital intelligence depends in large part on efficient records systems.
- Our security measures and the nature of intelligence activities create abnormal paperwork and records retention costs.
  - ✓ Much of our business must be handled in writing rather than by phone. Dispersal of buildings increases this problem.
  - ✓ Requirements for clearances, controls, authorizations, approvals, and coordination add to the record volume.
  - ✓ Our dependency upon other agencies for overseas support multiplies paperwork.
  - ✓ Sterility requirements increase costs.
  - ✓ Large record holdings were inherited from our predecessors.
  - ✓ The majority of our records require long retention periods.
  - ✓ Our safes cost \$238--almost five times the cost of file cabinets used by most agencies.

### THE RECORDS PROBLEM-Continued

A large and ever increasing volume of records is the result of these records creation and retention peculiarities. In fact, more records are being created and acquired, and held in costly office space, than are being retired or destroyed.

- In FY 1953 we procured 2,878 correspondence file cabinets but only destroyed and retired records equivalent to 318 cabinets. In FY 1954 the ratio was 2,787 correspondence cabinets to 946 retired and destroyed.
- The volume of office records has risen steadily despite increasing records disposition activity. Slightly over 6,000 pieces of equipment were needed to file current records in 1950. Today almost 22,000 are required.
- Present filing equipment in Headquarters was procured at a cost of 2 1/3 million dollars. It rests on floor space valued at 1/4 million dollars.

## Section II

### THE SCOPE OF RECORDS MANAGEMENT

#### Task Force Findings

The first Hoover Commission report of 1949 resulted in enactment of Public Law 754, referred to as the Federal Records Act of 1950. Compliance with the law by most agencies has in general been restricted by a misinterpretation of the term "records management" to mean the movement of records to storage and eventual disposal, with some emphasis on filing. However, the law provides for managing records from their creation or receipt to their retirement or destruction. In substance the Act states: (1) That the head of each Federal Agency shall establish and maintain an active, continuing program for the economical and efficient management of records; and (2) that such a program shall provide effective controls over the creation, maintenance and use, and disposition of records.

THE SCOPE OF RECORDS MANAGEMENT - Continued

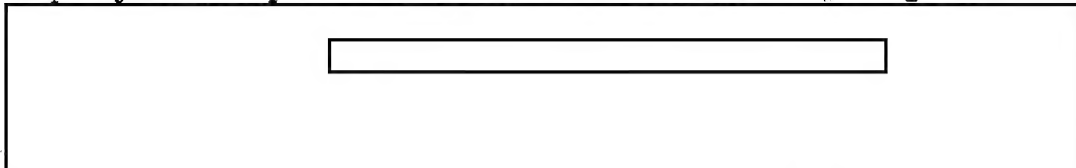
The Act is considered adequate to provide a legal basis for a program directed toward all elements of the paperwork problem. Moreover, the terms "records management" and "paperwork management" should be considered as synonymous.

The scope of records management is twofold. Not only should all elements of paperwork be included, but also every component of an agency. The task force was just as concerned with the farflung paperwork operations in the field as it was with those in Washington.

Agency Situation

The Agency Records Management Program is based on the Federal Records Act of 1950 and the General Counsel Opinion of 2 October 1950 (Exhibit A). This Program, together with associated Management Staff Regulations Control activity and the Office Business Machines Program cover the essential elements of paperwork management. Exhibit B and Sections IV through XIII describe these elements in detail.

Paperwork management and associated programs are restricted principally to Headquarters. Extension of the Records Management



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### Section III

#### APPLYING RECORDS MANAGEMENT

##### Task Force Findings

Two obstacles have restricted the application of records management in most agencies: (1) A narrow concept of the scope of records management; and (2) the most serious, lack of attention to getting the right people for the job.

##### Hoover Commission Report

"At best, Government handling of the personnel side of paperwork management may be characterized as haphazard and shortsighted. They either scatter responsibilities for various segments of the field among relatively untrained, low-ranking employees as a part-time activity, or push the responsibility off onto some higher ranking employee too busy to give serious attention to it.

"Most agencies do not provide inservice training for the few people about to enter, or already engaged, in paperwork management programs. What training is done is mostly a highly specialized nature and fails to focus on the overall paperwork problem in the Agency and the Government as a whole."

##### Agency Situation

Our concept of records management is far broader than that of most agencies. It embraces all the essential elements of paperwork management recommended by the Hoover Commission. Staff guidance is provided by specialists in each field of records management. Yet results from the program, although gratifying, represent only a small percentage of the potential inherent in every component and in every element of paperwork. Results have been directly proportional to the impetus given by operating officials to only certain aspects of records management, with generally much of the work being performed by the Management Staff.

The Task Force found limited results in most agencies. However, whereas records management concept and personnel policy were



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#### APPLYING RECORDS MANAGEMENT - Continued

deterrents in other agencies, we attribute our results to inadequate staffing to carry out program objectives at the operating levels. The reason for this inadequacy can be traced generally to program administration policy. To date the Records Management Program has been promoted principally by persuasion directed toward operating officials, rather than by regulation. This method has not been too successful in some areas, for operating officials are reluctant to commit personnel to full-time records management duties without topside support in the form of Agency regulations that clearly define the scope of area programs and delegate line and staff responsibilities for their administration. Such regulations are now being developed by the Management Staff.

In-service training of Area Records Officers was undertaken in April 1953 by an orientation program on all aspects of records management. Among the speakers were leading experts in the field of records management, including Messrs. Emmett J. Leahy and Herbert E. Angel who served on the Hoover Commission Task Force. Since then, many opportunities for on-the-job training of Area Records Officers have presented themselves during surveys and studies conducted by Management Staff personnel. However, in most instances, collateral duties prevented Area Records Officers from taking advantage of these opportunities.

Some aspect of records management affects every employee in CIA. Therefore records management should be a topic in Agency orientation programs and in basic intelligence and management training courses.

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## Section IV

### CORRESPONDENCE MANAGEMENT

#### 1. Scope

##### Task Force Findings

An inquiry into Government correspondence practices should include volume, cost, quality, and efficiency to recommend:

- Improving the quality of letters to provide better public service.
- Developing correspondence style standards and providing guides for their uniform application.
- Meeting the problems of mass correspondence with modern production methods.
- Simplifying and reducing correspondence paperwork.

##### Agency Situation

Exhibit C describes the Agency Correspondence Management Program. It will be noted that the essential elements recommended by the Task Force are included.

#### 2. Correspondence Costs

##### Task Force Findings

The average Government letter costs about one dollar. But the cost of creating and filing the same typical 175 word letter may range from 15 cents to \$2.50 depending largely on letter-writing and filing practices. Correspondence management applied to masses of repetitive-type pattern correspondence can reduce costs by 53 percent.

##### Agency Situation

CIA does not have the problem of mass correspondence with the public. However, cost cutting techniques are equally applicable to internal and external correspondence.

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### CORRESPONDENCE MANAGEMENT - Continued

Agency dictated or drafted correspondence costs from \$1.50 for a 175 word page to \$2.00 for a full page of 300 words. Applying modern production methods to repetitive pattern correspondence in the Personnel Office has reduced costs to 25 cents for a 175 word letter. Savings result from the use of pattern letters typed automatically at 120 words per minute from prepunched tapes.

Headquarters-wide savings are being realized from the use of preassembled carbon and tissue sets (Letterex). Under development is an index to the approximately one hundred different types of requests and reports pertaining to security clearances, designation authorizations, personnel actions, and other routine administrative matters. Its use is expected to reduce by 50 percent the cost of preparing these types of internal correspondence.

### 3. Correspondence Quality

#### Task Force Findings

Agencies should improve the quality of letters to provide better public service. Government letters abound with legal terms, abstract nouns, passive verbs, and dense subordinate clauses. The net results are: (a) Letters are often hard to understand, causing additional unnecessary correspondence; and (b) letters are unduly long causing additional cost.

#### Agency Situation

The need for a writing improvement program was recognized by the Records Management Division in 1953. A poll revealed that the average quality of Agency writings was between fair and good and that published guides and training would be beneficial.

Agency personnel cannot readily recognize their writing weaknesses for they have neither standards for measuring their writing ability nor guides to improve it. To correct this deficiency the Records Management Division developed two pamphlets which are now being coordinated with the Office of Training: "What is Readability," an evaluation of an article from Readers Digest to show the qualities of readable writing; and "Modern Writing Styles," a small glossary of hackneyed expressions commonly used, with suggested substitutes.

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#### CORRESPONDENCE MANAGEMENT - Continued

Interest in effective writing is increasing throughout Headquarters. In recognition of this interest the Director of Training has obtained Professor Calvin Linton of the George Washington University to appraise the quality of Agency writings and to recommend corrective action.

#### 4. Correspondence Style Standards and Guides

##### Task Force Findings

One style manual for all Government offices would not only result in monetary savings but would produce a higher quality, better accepted letter from the standpoint of the public.

##### Agency Situation

Government-wide standardization of correspondence styles can only result in added costs rather than savings. Consider Standard Form No. 64, Office Memorandum. The use of this stationery for intra-office or interoffice correspondence is required by the Bureau of the Budget ostensibly to standardize the memorandum format and to reduce printing costs. But this agency would not use memorandum stationery with preprinted headings if it were not required. The preprinted headings are more restrictive than time saving to typists. In addition, by being preprinted, a ream of the Office Memorandum costs \$1.00 compared to \$ .80 for a ream of good grade plain bond.

It would seem to be as unrealistic to standardize correspondence style as to attempt to standardize the organizational structure of all agencies. Each agency has specific needs for individual styles and correspondence handling procedures. These must be described in agency manuals. A single style manual for all Government offices would not eliminate the need for these individual instructions.

Uniformity of styles and procedures within an agency is another matter; it is essential to efficient correspondence operations. Proposed Handbook   Correspondence Style and Procedures, will establish this uniformity in Headquarters. In addition to eliminating present confusion over formats and style it will provide a more usable desk and training guide than is now available and will encourage cost cutting practices heretofore not described.

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Section V  
FORMS MANAGEMENT

1. Scope and Application

Task Force Findings

The effectiveness of forms depends on their management. In the various agencies this varies sharply. Some agencies consider forms management to be forms design only; others consider it to be control over printing; and still others believe it to be nothing more than planning the use of a form in a given procedure. Very few of the programs in Government include all of these elements of forms management. Unfortunately, and at the cost of millions of collars to the taxpayer, the full impact of the creation of a new form upon paperwork costs is rarely considered.

Agency Situation

CIA forms management affects forms from their birth to death as described in Exhibit D. It is a continuous reduction in cost, management improvement program aimed at conserving our basic Agency resources--manpower, supplies, equipment, time, space, and money. Our program is one of the few in Government which includes all elements of forms management recommended by the Hoover Commission.

25X1A A proposed regulation is being written to replace obsolete regulations [redacted]. The regulation will not only meet but will exceed the aims of the Task Force. Controls over 1,500 authorized forms will be extended to cover the estimated 26,000 forms not controlled in Headquarters. Extension of the program to include [redacted] forms is planned. A handbook is being developed on the detailed policies, procedures, methods, and techniques of forms management.

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2. Obtainable Savings

Task Force Findings

On the basis of savings made by those agencies which have brought forms under control, extending their practices throughout Government will save \$50 million.

FORMS MANAGEMENT - Continued

Agency Situation

Savings during the last three fiscal years have amounted to \$486,557.

In 1953 the average annual usage per controlled form was 18,698 copies. By bringing 53% more forms under control in 1954 and applying such techniques as reprint review, the average usage was reduced to 11,878 for a total reduction of 576,172 copies. Requests for reprints were reduced 45%.

Intensified efforts in all phases of forms management are expected to yield annual savings of from \$300,000 to \$500,000.

Section VI

REPORTS MANAGEMENT

Task Force Findings

It is estimated that the Government spends \$700 million to prepare and collect information. This vast effort is even more striking when the use made of reports is considered. Agency management is often uninformed about the kind, quantity, purpose, and cost of information collected. Many reports do not appear to be well conceived as tools for management control, nor is the data properly integrated and maintained for this purpose. Agencies frequently do not keep and were unable to supply relatively elemental information about their activities and the subject matter within their responsibilities.

Agency Situation

Figures are not available on the volume and cost of reports in CIA. We can only speculate that they are high for our organization is complex, our operations are farflung. We must depend on reports for control over these operations. The volume of intra Headquarters reporting probably exceeds the volume between Headquarters and the field. This contention is supported by general observations

## REPORTS MANAGEMENT - Continued

made in conducting records surveys. About 100 types of reports were found on file in the Personnel Office, and 65 types in the Logistics Office. The Machine Records Division of the Office of the Comptroller prepares approximately 160 types of reports for the various offices of Headquarters.

The fact that inadequate and unnecessary reporting is bound to exist where reports have never been controlled calls for an Agency-wide reports management program. The compartmental structure of the Agency and the volume of Headquarters reporting point to the advantages of a decentralized program, that is, one composed of area programs integrated and coordinated by the Chief, Management Staff, representing the Director on reports matters of Headquarters or Agency-wide significance. Exhibit E describes such a program.

A regulation is being developed to establish the program. In the interim, guides (Exhibits F, G, & H) on which to base plans for area programs are being furnished operating officials. The Comptroller launched a reports management program in February of this year. Other components are forming plans but propose to withhold action pending release of the proposed Agency regulation.

## Section VII

### OFFICE FILING OPERATIONS

#### 1. Management of Files

##### Task Force Findings

There is a lack of written policies and procedures for managing files. For example, of the agencies studied:

- Only 23 percent have a policy which limits carbon copies to a minimum number.
- Only 15 percent have a policy which designates the specific organizational points where files shall be located.

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## OFFICE FILING OPERATIONS - Continued

- Only 15 percent have a training program for file personnel.
- Only 39 percent prescribe standard systems of filing.

### Agency Situation

The filing of extra copies is discouraged by the Agency filing handbook, and the elimination of those maintained is recommended when they are discovered as a result of surveys. In addition, the proposed Agency correspondence handbook states specific requirements for copies to eliminate guesswork. Promotional material on reports and correspondence management also stresses: "Count your copies; make your copies count!"

Due to differences in size, complexity, physical arrangement, and security provisions of the various organizational elements, a specific policy for designating file stations has not been established. However, the Agency filing handbook states that records shall be maintained only at official file stations, and that these stations shall be designated by the head of the organizational element with the technical advice of the Records Management Division. Studies of file locations will be conducted in the course of records management surveys. Recommendations will be made to eliminate duplicate files and to designate more efficient and economical file station locations.

The Agency filing handbook provides a standard system for filing and maintaining general subject records. The development of standard systems for filing other types of records common to a number of offices is planned.

Arrangements for a training course in the system for filing and maintaining records described in the Agency filing handbook are being completed. All file personnel entering on duty in Headquarters will receive similar training.

## 2. Equipment and Supplies

### Task Force Findings

Each agency should ensure maximum utilization of filing equipment through an effective review of file cabinet procurement.



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## OFFICE FILING OPERATIONS - Continued

As an economy measure the use of openshelf filing equipment should be promoted. Effort should be made to lower the cost of storing classified material while continuing to provide for its security. Standardization of filing equipment should be accomplished. Economical 11-point kraft folders should be established as standard. The use of legal size filing equipment should be discontinued where it is possible to use letter size equipment.

### Agency Situation

Maximum utilization of filing equipment is provided for in [ ] which also requires a certification on each procurement requisition to the effect that the provisions of the notice have been complied with. The certification requirement will be evaluated periodically to determine if it has tended to become pro forma or whether it continues to produce significant results.

Open shelf filing equipment is now used by one office. Extended use of this equipment is being considered, especially for vault areas.

Continuing efforts are being made to lower the cost of storing classified material. Notice [ ] recommends the use of vault areas whenever possible. In addition, a portable desk tray has been developed for convenient overnight storage of current working papers. Five of these trays can be stored in a single safe drawer compared to one or two open-top desk trays. Exhibit I describes this tray. Publicity has been given to the proper utilization of safe cabinets. Exhibit J is a copy of a poster currently being displayed throughout Headquarters.

Standards for procuring correspondence size filing equipment were established [ ] This action has reduced the types of correspondence cabinets stocked from 17 to 6. The use of five drawer non-safe-type cabinets whenever possible in lieu of the four drawer safe-type was one of the standards established. We plan to establish standards for other types of filing equipment.

Standards for filing supplies were provided [ ] In addition to establishing 11-point kraft folders as standard, action was taken to reduce from 54 to 6 the number of types of folders stocked. Official personnel folders costing only 6¢

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## OFFICE FILING OPERATIONS - Continued

are now serving as well as those which formerly cost 75¢. The average cost of other folders was reduced from 7.5¢ to 4.2¢ saving \$11,210 in 1954. The development of standards for other filing supplies is planned.

A requirement that letter size equipment be used where legal size material does not exceed 20 percent of the material to be filed is prescribed [redacted] A study is planned to reappraise the Agency's need for legal size paper, forms, documents, and filing equipment.

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## Section VIII

### KEEPING AND DESTROYING RECORDS

#### Task Force Findings

Twenty-six percent of the total volume of Government records are designated as permanent. It is believed that realistic disposition scheduling should reduce permanent records to under 10 percent of holdings.

Records centers operated by the General Services Administration have resulted in tangible savings of \$14 million dollars over the past four years.

The following standards have been established for operating a records center:

Receiving records - 5,200 cubic feet per man year

Reference service - 7,000 cubic feet per man year

Records disposal - 4,700 cubic feet per man year

Space utilization - Two cubic feet of records to one sq. ft. of space

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## KEEPING AND DESTROYING RECORDS - Continued

### Agency Situation

To date 50,000 cubic feet of records have been scheduled for disposition. Of this amount 25 percent have been designated as permanent. Future reappraisals should lower this percentage.

The CIA Records Center houses 18,000 cubic feet of records. This volume is equivalent to that of 2,250 safe cabinets valued at \$535,000 which would occupy \$16,850 worth of office space. Records center storage costs for space, shelving, and boxes amount to \$22,080. Net savings from present records center holdings are estimated to be over a half million dollars. Movement to the new records center with a capacity for 40,000 cubic feet of records is scheduled for completion this April.

Based on standards developed by the General Services Administration, the Records Center should have a T/O of 14. However the Center was operated efficiently in 1954 with a T/O of 12. The average employment for 1955 has been 10.5.

Space utilization of two cubic feet of records to one square foot of space compares favorably with standards of the General Services Administration.

## Section IX

### PROTECTION OF VITAL MATERIALS

#### Task Force Findings

Agency emergency record locations and planned emergency relocation sites should be closely coordinated. Agency reports on their vital materials should be subject to a systematic continuing review. The vital materials program should be extended to principal offices outside the Washington area. Plans for the protection of essential records should be confined to records required by agency functions determined to be essential in event of disaster.

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## PROTECTION OF VITAL MATERIALS - Continuing

### Agency Situation

The Agency's vital materials repository is outside the target area on the site planned for emergency headquarters.

The Agency program includes all domestic field offices. We plan to extend the program to essential areas overseas.

To ensure the protection of essential records, and only such records, written schedules for the deposit of vital materials of ten Offices have been prepared. Deposit schedules for the remaining Staffs and Offices are being developed. All schedules will be reviewed annually.

## Section X

### AGENCY MAIL OPERATIONS

### Task Force Findings

Of the total cost of mail operations the amount for sorting and delivery is relatively small. The real expense goes to recording and controlling incoming mail. Thirty percent of all incoming mail is so handled, at an expenditure of 80 percent of total clerical salaries. The benefit from recording so much mail is certainly questionable.

The recording and controlling of mail normally should be limited to those categories which involve the protection of the rights of the Government and the individual. In most cases less than 15 percent of mail should fall in this category.

### Agency Situation

Less than 10 percent of incoming mail is opened by the central mail room prior to forwarding it to addressees. No logs or registries are maintained in the central mail room except for registered mail. Time control is provided by time stamping each piece of mail received through the postal system. This takes

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AGENCY MAIL OPERATIONS - Continued

about an hour a day. Expenses in the central mail room therefore are confined principally to sorting and delivery.

The real expense of Agency mail operations occurs at the various points of delivery where too often nonessential or inadequate mail control systems are established. It is at these points that we are directing our attention. An intra-office mail control system has been developed and tested in one major Office. Installation of similar systems will be undertaken as records surveys in various offices disclose the need. Exhibit K has been developed to publicize this system. A handbook is also being written.

Section XI

MICROFILM OPERATIONS

Task Force Findings

Microfilming techniques should be applied only where the costs and benefits of such application compare favorably with the costs and benefits of alternate methods.

Effective measures should be taken to increase utilization efficiency of existing equipment before procuring additional equipment.

Greater efforts should be exerted to further the use of microfilming as a means of saving time and labor in day-to-day operations.

Agency Situation

A regulation requires that all requests for microfilming equipment, supplies, and services be reviewed centrally. This review enables a microphotographic specialist aided by others in the records systems field to determine the soundness of proposed microfilming projects in the light of other possible methods.

#### MICROFILM OPERATIONS - Continued

Thus the undertaking of unsound projects is virtually eliminated. Project reviews during three months in 1954 saved \$3,358. The present review program will be continued. Efforts will be made to discover additional methods to replace microfilming. Improved criteria will be developed to increase the efficiency of micro-filming techniques.

The review of requests for equipment makes it possible to cancel some requests by having the requester use central facilities or share equipment with others. An equipment inventory showing current location and utilization rate is maintained to ensure prompt return of idle equipment to stock and to facilitate pooling and sharing. Review of requests for equipment during three months in 1954 saved \$5,692. It is planned to increase the capacity of central facilities to establish a preventive maintenance program for microfilm equipment; to select more durable and flexible equipment; and to promote greater pooling of equipment.

Continuing effort is being directed toward the use of micro-filming as a procedures tool. One large project of this category is now in operation. Some progress has been made in developing special equipment for this application of micro-filming. A brochure describing all known applications for saving time and labor will be issued to records analysts and operating officials to provoke more thought and action in this profitable field.

Section XII  
DIRECTIVES SYSTEMS

Task Force Findings

This area of Government administration has not been given proper attention. Directives often are a mass of uncoordinated, conflicting, or overlapping instructions which tend to bewilder rather than assist. Loss of time, pyramiding duplication, and additional confusion comes from the rewriting of topside directives at succeeding lower echelons. Only a few agencies have a well-defined coordinated system for handling their management directives. In several areas where a good framework has been established much work remains to be done. Indexing is a neglected activity. Distribution problems are unsolved or need studying.

Duplication and confusion can be overcome by the institution of a systematic plan for action. Such systems must be devised to suit the needs of the individual agency since no single plan will fit all agencies.

Agency Situation

A plan for a coordinated system of regulatory issuances at the Agency level was put into effect in October 1953. Since then there has been much positive achievement in incorporating formerly independent regulatory issuances at lower echelons into the Agency system. The present system is considered well suited to Agency needs.

Much yet remains to be done. Administrative directives are still being issued directly to the field from echelons below Headquarters Staff, with resultant confusion. Steps to solve this problem are in progress. Work is also in progress on a revised complete index of Agency administrative publications and an overhaul of distribution methods.

Section XIII

OFFICE MACHINES

Task Force Findings

Since the first large-scale, high-speed computer was designed about 10 years ago to process data associated with bombing tables, research and development of such automatic machines, as well as their types and uses, have rapidly increased. These machines can now economically and efficiently do many huge paperwork jobs of the Government. Extreme caution, however, must be exercised in the conversion of business processes to automatic machines. Before giving serious consideration to using automatic machines for existing business processes, a comprehensive examination of the present procedures and organizational structure should be conducted.

In view of the demonstrated savings which punched-card equipment can produce, the Task Force considers that agency managements should vigorously pursue the possibility of mechanized operations. This pursuit of further mechanization at the same time carries with it certain responsibilities. There have been examples of poor application of tabulating equipment in certain areas. In most cases, however, the use of tabulating equipment has produced immediate and tangible savings. To make best use of the machines, most agencies have a central review of their procurement and use. The larger agencies have a reporting and followup system. They consider: (1) Value, quantity, quality, timeliness, and cost-in-relation to needs and functions; and (2) Number of pieces needed per type of machine and hours of use of each machine. These considerations also are pertinent to deciding the location of each installation.

Agency management of the small business machines has been spotty. Most agencies have little or no internal control over their purchase and use. It has been reported that some machines are bought solely because funds are available during the current year and not because the machines are actually needed at the time.

There are problem areas confronting the agencies in their efforts to insure effective management of their business machines. One is the lack of coordination between management and procurement personnel. All too frequently extensive procurement of business machines is accomplished without any advice or assistance from the management group. There is a lack of knowledge of the various types of equipment on the market, which indicates a definite need for a clearinghouse for information on business machines.



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OFFICE MACHINES - Continued

Agency Situation

The use of electronic data processing machines, punched-card equipment and other types of electrical office business machines and labor saving devices has been promoted when it was determined that their use would result in economies or expedite needed results unobtainable by manual methods.

Punched-card installations have been centralized to serve the needs of several organizational elements where possible. One centralized punched-card installation has been established to perform all accounting and record keeping work pertaining to personnel, finances and property. Significant economies have been realized through this installation.

Pools of small business machines have been established whenever the type of machine and the nature of the work made these arrangements feasible.

An agency task force is being organized to study current procedures and determine the applicability of electronic data processing machines to our work. Also, agency personnel are attending training programs conducted by the manufacturers in order to keep abreast of the latest developments in the electronic data processing area.

Controls over the procurement and utilization of electronic data processing machines, punched-card equipment and small electrical business machines have been established by Agency regulation. Rental or purchase of such equipment must be justified to the Management Staff before it is obtained.

The Management Staff acts as the technical advisor to Agency officials in all matters pertaining to electronic data processing machines, punched-card equipment and other types of office machines. New developments in these fields are pursued continuously and are adopted where applicable.

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## Section XIV

### CONCLUSIONS AND RECOMMENDATIONS

#### 1. Conclusions

##### Hoover Commission

"Agencies too often lack a clear-cut concept of the value and economies possible from careful attention to paperwork management. Certain Government agencies have produced encouraging results in improving the economy, efficiency, and quality of their paperwork operations. Unfortunately these are exceptions. On the whole, agency heads and principal subordinates have not given proper attention to potential economies in this \$4 billion activity."

The Task Force estimates that of the \$4 billion spent on paperwork the following savings could be made by more efficient operation:

Correspondence.....	\$ 75,000,000
Forms.....	50,000,000
Reports.....	50,000,000
Record keeping.....	50,000,000
Mail handling.....	30,000,000
Total	\$255,000,000

##### Management Staff

Paperwork Management is particularly applicable to CIA. Our security measures and the nature of intelligence activities increase record volume. They add to the cost of creating handling, storing, and disposing of records. Moreover, the production of vital intelligence depends in large part on efficient records systems.

Our need for paperwork management was recognized early. In October 1950 the General Counsel determined that we have a legal and moral obligation within limits of security provisions to comply with records management legislation. A records management program based on the Federal Records Act and recommendations of the first Hoover Commission was established shortly thereafter. The present policy of administering the program on a decentralized basis is sound and is in accord with our compartmental organization.

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## CONCLUSIONS AND RECOMMENDATIONS - Continued

The program has shown a profit since its inception. In calendar year 1954 savings of \$357,373 were realized. But foresight should furnish us with more incentive than hindsight. For while this figure is significant, increased savings up to \$1 million are obtainable annually.

Two main obstacles at the operating levels stand in the way of these savings: (1) Lack of a clear-cut concept of the value and economies of all aspects of records management; and (2) as a direct result, inadequate staffing for the job to be done. Overcoming these obstacles calls for revised regulations and strong support from top Agency officials and their principal subordinates.

### 2. Recommendations

#### Hoover Commission

That the President establish by Executive order and direct his top officials to give their support to a government-wide paper-work management program. This program should provide in each agency and among agencies a broad-scale approach to the paper-work problems of the Government. These include, but are not limited to, forms, reports, correspondence, directives and instructions, filing operations, internal-mail handling, and all types of office machines and equipment.

That some top official in each agency be assigned the responsibility: (a) To review all forms with a view to simplification; (b) to determine the number of copies of correspondence, printed or mimeographed material with a view to the elimination of non-essential copies; (c) to determine the number and character of reports within the agency and to other agencies with a view to the reduction of numbers and the elimination of nonessential reports.

#### Management Staff

That the Records Management Program and associated Management Staff activities which now cover the essential elements of paper-work management be intensified.

That the Records Management Program be given impetus through:

- Personal endorsement of the program by top agency officials and their principal subordinates.

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CONCLUSIONS AND RECOMMENDATIONS - Continued

- Issuance of regulations that: (a) Restate program scope for greater emphasis on all aspects of records management; (b) redefine line and staff responsibilities for administering area records management programs; and (c) provide for the top-level review of forms, correspondence, and reports recommended by the Hoover Commission.

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